

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Funding Summary

	Base Budget	Final Legislative Action	Comparison to Base Budget
Department of Agriculture			
Salaries and wages	\$12,372,949	\$14,232,746	\$1,859,797
Operating expenses	6,444,336	6,702,780	258,444
Capital assets	13,000	15,000	2,000
Grants	8,817,774	8,823,774	6,000
State Board of Animal Health	865,718	865,718	
Wildlife services	1,408,000	1,457,400	49,400
Crop Harmonization Board	75,000	75,000	
Pipeline restoration and reclamation	200,000	200,000	
Ag. Products Utilization Commission		3,760,417	3,760,417
Grain insolvency litigation		100,000	100,000
Total all funds	\$30,196,777	\$36,232,835	\$6,036,058
Less estimated income	<u>21,087,676</u>	<u>25,322,406</u>	<u>4,234,730</u>
General fund	\$9,109,101	\$10,910,429	\$1,801,328
FTE	73.00	78.00	5.00
Bill total			
Total all funds	\$30,196,777	\$36,232,835	\$6,036,058
Less estimated income	<u>21,087,676</u>	<u>25,322,406</u>	<u>4,234,730</u>
General fund	\$9,109,101	\$10,910,429	\$1,801,328
FTE	73.00	78.00	5.00

Senate Bill No. 2009 - Department of Agriculture - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$12,372,949	\$676,514	\$13,049,463
Operating expenses	6,444,336	133,444	6,577,780
Capital assets	13,000	2,000	15,000
Grants	8,817,774	6,000	8,823,774
State Board of Animal Health	865,718		865,718
Wildlife services	1,408,000	49,400	1,457,400
Crop Harmonization Board	75,000		75,000
Pipeline restoration and reclamation	200,000		200,000
Ag. Products Utilization Commission		3,176,791	3,176,791
Total all funds	\$30,196,777	\$4,044,149	\$34,240,926
Less estimated income	<u>21,087,676</u>	<u>3,415,513</u>	<u>24,503,189</u>
General fund	\$9,109,101	\$628,636	\$9,737,737
FTE	73.00	2.00	75.00

Department 602 - Department of Agriculture - Detail of Senate Changes

	Adds Funding for Salary and Benefit Increases ¹	Adjusts Base Level Funding ²	Adds Funding for an Agriculture Commissioner Salary Equity Increase ³	Adjusts Funding for the Meat Inspection Program ⁴	Transfers the Agricultural Products Utilization Commission ⁵	Adds One-Time Funding for a Master Customer Database ⁶
Salaries and wages	\$661,801		\$14,713			
Operating expenses		\$2,226		\$21,218		\$110,000
Capital assets		2,000				
Grants		6,000				
State Board of Animal Health Wildlife services		49,400				
Crop Harmonization Board Pipeline restoration and reclamation						
Ag. Products Utilization Commission	23,876				\$3,152,915	
Grain insolvency litigation						
Total all funds	\$685,677	\$59,626	\$14,713	\$21,218	\$3,152,915	\$110,000
Less estimated income	322,005	377	0	(59,784)	3,152,915	0
General fund	\$363,672	\$59,249	\$14,713	\$81,002	\$0	\$110,000
FTE	0.00	0.00	0.00	0.00	2.00	0.00

	Total Senate Changes
Salaries and wages	\$676,514
Operating expenses	133,444
Capital assets	2,000
Grants	6,000
State Board of Animal Health Wildlife services	49,400
Crop Harmonization Board Pipeline restoration and reclamation	
Ag. Products Utilization Commission	3,176,791
Grain insolvency litigation	
Total all funds	\$4,044,149
Less estimated income	3,415,513
General fund	\$628,636
FTE	2.00

¹ The following funding is added for 2019-21 biennium salary adjustments of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, and increases in health insurance premiums from \$1,241 to \$1,427 per month:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salary increase	\$192,238	\$163,246	\$355,484
Health insurance increase	171,434	158,759	330,193
Total	\$363,672	\$322,005	\$685,677

² Base level funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adds funding for Microsoft Office 365 license expenses	\$1,849	\$377	\$2,226
Adjusts funding for capital assets	2,000	0	2,000
Adds funding for wildlife services operating fees	49,400	0	49,400
Adds funding for grape and wine grants and apiary grants	6,000	0	6,000
Total	\$59,249	\$377	\$59,626

³ Funding of \$14,713 is added to increase the Agriculture Commissioner's salary to align the Agriculture Commissioner's salary with the Tax Commissioner's salary. Of the total, \$6,135 is added for each fiscal year of the

biennium for salaries and \$2,443 is added for fringe benefits. The additional \$6,135 per year increases the Agriculture Commissioner's salary from the current level of \$108,656 to \$114,791, the same amount as the Tax Commissioner. After adjusting for the 2 percent and 3 percent salary increases proposed by the Senate, the Agriculture Commissioner's salary for fiscal years 2020 and 2021 will be \$117,087 and \$120,600, respectively.

⁴ Funding of \$21,218, of which \$11,033 is from the general fund and \$10,185 is from federal funds, is added for operating expenses for the meat inspection program. The funding for 1 FTE meat inspector program director position is adjusted to increase funding from the general fund by \$69,969 and to reduce other funds by \$69,969.

⁵ The Agricultural Products Utilization Commission (APUC) and related funding of \$3,152,915 from the APUC fund, including 2 FTE positions, is transferred from the Department of Commerce to the Agriculture Commissioner. Of this amount, \$434,342 is for salaries and wages, \$67,857 is for operating expenses, and \$2,650,716 is for grants.

⁶ One-time funding of \$110,000 is added from the general fund for a master customer database project.

This amendment also adds sections to:

- Provide statutory changes necessary to increase the Agriculture Commissioner's salary.
- Provide statutory changes necessary to transfer APUC from the Department of Commerce to the Agriculture Commissioner.
- Repeal North Dakota Century Code Chapter 54-60.3, which establishes APUC as an office of the Department of Commerce Division of Economic Development and Finance.

Senate Bill No. 2009 - Department of Agriculture - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$12,372,949	\$13,049,463	\$601,759	\$13,651,222
Operating expenses	6,444,336	6,577,780	125,000	6,702,780
Capital assets	13,000	15,000		15,000
Grants	8,817,774	8,823,774		8,823,774
State Board of Animal Health	865,718	865,718		865,718
Wildlife services	1,408,000	1,457,400		1,457,400
Crop Harmonization Board	75,000	75,000		75,000
Pipeline restoration and reclamation	200,000	200,000		200,000
Ag. Products Utilization Commission		3,176,791	823,209	4,000,000
Total all funds	\$30,196,777	\$34,240,926	\$1,549,968	\$35,790,894
Less estimated income	21,087,676	24,503,189	863,543	25,366,732
General fund	\$9,109,101	\$9,737,737	\$686,425	\$10,424,162
FTE	73.00	75.00	2.00	77.00

Department 602 - Department of Agriculture - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes 1 FTE Position ²	Removes Funding for Agriculture Commissioner Salary Equity Increase ³	Adjusts Funding for Wildlife Services Operating Fees ⁴	Adjusts Funding for APUC ⁵	Transfers Grain Warehouse Inspection Program from the PSC ⁶
Salaries and wages	\$45,913	(\$157,940)	(\$14,713)			\$728,499
Operating expenses						125,000
Capital assets						
Grants						
State Board of Animal Health						
Wildlife services						
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission					\$823,209	
Grain insolvency litigation						
Total all funds	\$45,913	(\$157,940)	(\$14,713)	\$0	\$823,209	\$853,499
Less estimated income	25,357	(34,423)	0	49,400	823,209	0
General fund	\$20,556	(\$123,517)	(\$14,713)	(\$49,400)	\$0	\$853,499
FTE	0.00	(1.00)	0.00	0.00	(1.00)	4.00

	Total House Changes
Salaries and wages	\$601,759
Operating expenses	125,000
Capital assets	
Grants	
State Board of Animal Health	
Wildlife services	
Crop Harmonization Board	
Pipeline restoration and reclamation	
Ag. Products Utilization Commission	823,209
Grain insolvency litigation	
Total all funds	\$1,549,968
Less estimated income	863,543
General fund	\$686,425
FTE	2.00

¹ Funding of \$45,913, of which \$20,556 is from the general fund and \$25,357 is from other funds, is added for 2019-21 biennium salary increases of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and 2.5 percent on July 1, 2020. The Senate provided funding for a salary increase of 2 percent on July 1, 2019, and a 3 percent increase on July 1, 2020.

² One FTE undesignated position and funding of \$157,940 is removed, of which \$123,517 is from the general fund, \$6,673 is from the Department of Agriculture operating fund, and \$27,750 is from federal funds. The Senate did not remove any FTE positions.

³ Funding of \$14,713 provided by the Senate to increase the Agriculture Commissioner's salary to align with the Tax Commissioner's salary is removed.

⁴ The funding source for \$49,400 for wildlife services operating fees is changed to the environment and rangeland protection fund rather than the general fund to provide total funding of \$1,457,400 for wildlife services, the same amount as the Senate.

⁵ Funding for the Agricultural Products Utilization Commission (APUC) is adjusted as follows:

	<u>FTE</u>	<u>Other Funds</u>
Reduces funding from the APUC special funds	(1.00)	(\$1,176,791)
Adds funding from Bank of North Dakota profits	<u>0.00</u>	<u>2,000,000</u>
Total	(1.00)	\$823,209

Total funding approved by the House for APUC is \$4 million, of which \$2 million is from the APUC fund and \$2 million is from the profits of the Bank of North Dakota. The House approved 1 FTE APUC position for the program. The Senate approved total funding of \$3,176,791 from the APUC fund and 2 FTE positions.

⁶ Transfers grain warehouse license and inspection program from the Public Service Commission to the Agriculture Commissioner as follows:

	<u>Salaries and Wages</u>	<u>Operating Expenses</u>	<u>Total General Fund</u>
Adds 3 FTE grain warehouse inspectors	\$563,006	\$120,000	\$683,006
Adds 1 FTE accounting budget specialist	<u>165,493</u>	<u>5,000</u>	<u>170,493</u>
Total	\$728,499	\$125,000	\$853,499

This amendment also:

- Amends a section identifying the amount of funding appropriated from the environment and rangeland protection fund.
- Amends a section relating to the salary of the Agriculture Commissioner.
- Adds a section related to the transfer of \$2 million of the current earnings and undivided profits of the Bank of North Dakota to the Agriculture Commissioner for deposit in the APUC fund during the 2019-21 biennium.
- Removes statutory sections related to APUC. The statutory changes needed to move APUC to the Agriculture Commissioner are included in Senate Bill No. 2328.
- Adds statutory sections to transfer grain, grain buyers, warehousing, deposits, and warehousemen programs from the Public Service Commission to the Agriculture Commissioner and increases annual license fees, resulting in additional general fund revenues of approximately \$43,600 during the 2019-21 biennium.

Senate Bill No. 2009 - Department of Agriculture - Conference Committee Action

	<u>Base Budget</u>	<u>Senate Version</u>	<u>Conference Committee Changes</u>	<u>Conference Committee Version</u>	<u>House Version</u>	<u>Comparison to House</u>
Salaries and wages	\$12,372,949	\$13,049,463	\$1,183,283	\$14,232,746	\$13,651,222	\$581,524
Operating expenses	6,444,336	6,577,780	125,000	6,702,780	6,702,780	
Capital assets	13,000	15,000		15,000	15,000	
Grants	8,817,774	8,823,774		8,823,774	8,823,774	
State Board of Animal Health	865,718	865,718		865,718	865,718	
Wildlife services	1,408,000	1,457,400		1,457,400	1,457,400	
Crop Harmonization Board	75,000	75,000		75,000	75,000	
Pipeline restoration and reclamation	200,000	200,000		200,000	200,000	
Ag. Products Utilization Commission		3,176,791	583,626	3,760,417	4,000,000	(239,583)
Grain insolvency litigation			100,000	100,000		100,000
Total all funds	\$30,196,777	\$34,240,926	\$1,991,909	\$36,232,835	\$35,790,894	\$441,941
Less estimated income	<u>21,087,676</u>	<u>24,503,189</u>	819,217	<u>25,322,406</u>	<u>25,366,732</u>	(44,326)
General fund	\$9,109,101	\$9,737,737	\$1,172,692	\$10,910,429	\$10,424,162	\$486,267
FTE	73.00	75.00	3.00	78.00	77.00	1.00

Department 602 - Department of Agriculture - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Adds Funding for Temporary Salaries ²	Adjusts Funding for Agriculture Commissioner Salary Equity Increase ³	Adjusts Funding for Wildlife Services Operating Fees ⁴	Adjusts Funding for APUC ⁵	Transfers Grain Warehouse Inspection Program from the PSC ⁶
Salaries and wages	\$55,476	\$159,852	(\$127)		\$239,583	\$728,499
Operating expenses						125,000
Capital assets						
Grants						
State Board of Animal Health						
Wildlife services						
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission					583,626	
Grain insolvency litigation						
Total all funds	\$55,476	\$159,852	(\$127)	\$0	\$823,209	\$853,499
Less estimated income	26,339	159,852	0	49,400	583,626	0
General fund	\$29,137	\$0	(\$127)	(\$49,400)	\$239,583	\$853,499
FTE	0.00	0.00	0.00	0.00	(1.00)	4.00

	Adds Funding for Grain Insolvency Litigation ⁷	Total Conference Committee Changes
Salaries and wages		\$1,183,283
Operating expenses		125,000
Capital assets		
Grants		
State Board of Animal Health		
Wildlife services		
Crop Harmonization Board		
Pipeline restoration and reclamation		
Ag. Products Utilization Commission		583,626
Grain insolvency litigation	\$100,000	100,000
Total all funds	\$100,000	\$1,991,909
Less estimated income	0	819,217
General fund	\$100,000	\$1,172,692
FTE	0.00	3.00

¹ Funding of \$51,014, of which \$24,675 is from the general fund and \$26,339 is from other funds, is added for 2019-21 biennium salary increases of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and 2.5 percent on July 1, 2020. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent increase on July 1, 2020. Funding of \$4,462 is also added from the general fund for increases in health insurance premiums related to the transfer of 1 FTE from the Public Service Commission.

² Funding of \$159,852 is added from the Department of Agriculture operating fund for temporary salaries. The Senate and House versions did not include funding for temporary salaries.

³ Funding of \$127 is reduced from the general fund to provide a salary equity increase of \$14,586, including increases for fringe benefits, for the Agriculture Commissioner. Of this amount, \$5,889 is related to a salary equity increase, the same salary equity increase provided to the State Treasurer. The Senate provided total funding for a salary equity increase for the Agriculture Commissioner of \$14,713 to align the Agriculture Commissioner's salary to the Tax Commissioner's salary. The House did not provide a salary equity increase for the Agriculture Commissioner.

⁴ The funding source for \$49,400 for wildlife services operating fees is changed to the environment and rangeland protection fund rather than the general fund to provide total funding of \$1,457,400 for wildlife services, the same amount as the Senate. The House also provided for this funding source change to provide a total of \$1,457,400 for the program.

⁵ Funding for the Agricultural Products Utilization Commission (APUC) is adjusted as follows:

	<u>FTE</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Reduces funding from APUC special funds	(1.00)	\$0	(\$1,176,791)	(\$1,176,791)
Adjusts funding for salaries of 1 FTE APUC position	0.00	239,583	(239,583)	0
Adds one-time funding from Bank of North Dakota profits	<u>0.00</u>	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
Total	(1.00)	\$239,583	\$583,626	\$823,209

Total funding approved by the Conference Committee for APUC is \$4 million, of which \$1,760,417 is from the APUC fund and \$2 million is one-time funding from the profits of the Bank of North Dakota for operating expenses and grants in the APUC line item. The remaining \$239,583 is from the general fund for salaries and benefits of 1 FTE in the salaries and wages line item.

The House approved \$4 million, of which \$2 million was from the APUC fund and \$2 million was one-time funding from the profits of the Bank of North Dakota, and 1 FTE position for the program. The Senate approved total funding of \$3,176,791 from the APUC fund and 2 FTE positions.

⁶ Transfers grain warehouse license and inspection program from the Public Service Commission to the Agriculture Commissioner as follows:

	<u>Salaries and Wages</u>	<u>Operating Expenses</u>	<u>Total General Fund</u>
Adds 3 FTE grain warehouse inspectors	\$563,006	\$120,000	\$683,006
Adds 1 FTE accounting budget specialist	<u>165,493</u>	<u>5,000</u>	<u>170,493</u>
Total	\$728,499	\$125,000	\$853,499

These transfers were also provided for by the House.

⁷ One-time funding of \$100,000 is added from the general fund to pay the Public Service Commission to continue providing services related to grain insolvency litigation that began prior to July 1, 2019. This appropriation is provided in a separate section of the bill. The Senate and House did not provide funding for this purpose.

The House removed one FTE undesignated position and funding of \$157,940, of which \$123,517 was from the general fund, \$6,673 was from the Department of Agriculture operating fund, and \$27,750 was from federal funds. The Conference Committee did not remove this FTE position.

This amendment also:

- Amends a section identifying the amount of funding appropriated from the environment and rangeland protection fund.
- Amends a section relating to the salary increase of the Agriculture Commissioner to provide a salary equity increase to the Agriculture Commissioner of \$5,889, increasing the current annual salary of \$108,656 to \$114,545 and to increase the salary to \$116,836 (2 percent) in fiscal year 2020 and to \$119,757 (2.5 percent) in fiscal year 2021.
- Adds a section related to the transfer of \$2 million from Bank of North Dakota profits to the APUC fund during the 2019-21 biennium, the same as the House version.
- Removes statutory sections related to APUC, the same as the House version. The statutory changes needed to move APUC from the Department of Commerce to the Agriculture Commissioner are included in Senate Bill No. 2328.
- Adds a section to provide a one-time appropriation of \$100,000 from the general fund for the purpose of paying the Public Service Commission to continue providing services related to grain insolvency litigation that began prior to July 1, 2019, during the 2019-21 biennium. The Senate and House did not provide funding for this purpose.
- Adds statutory sections to transfer grain, grain buyers, warehousing, deposits, and warehousemen programs from the Public Service Commission to the Agriculture Commissioner and increases annual license fees, resulting in additional general fund revenues of approximately \$43,600 during the 2019-21 biennium. The House also included this section.